

## Mitchell-Lama Program (MLLP)

**MITCHELL-LAMA PROGRAM:** HCR's Mitchell-Lama Program provides gap financing for the preservation of State or City supervised Mitchell-Lama developments, including those that are a part of HFA's acquired portfolio. As part of the State's commitment to increase and preserve the number of affordable housing opportunities for its residents, HCR makes capital available for the preservation and improvement of these properties.

Projects must comply with any applicable Mitchell-Lama income and regulatory requirements. Actual award amounts must be recommended by HCR staff, and approved by HCR Credit Committee, the HTFC and/or HFA Board as applicable. Applicants are strongly encouraged to apply for only the funding necessary for the financial feasibility of the project and to leverage funding from non-HCR sources.

<b>Eligible Uses</b>	<p>Preservation and improvement of rental and cooperative Mitchell-Lama properties located in New York State and supervised either by the City of New York or the State of New York (including those that are part of HFA's acquired portfolio), including site acquisition, hard, and related soft costs.</p> <p>Construction and permanent financing available.</p>
<b>Eligible Applicants</b>	Not-for-profit corporations or charitable organizations, or a wholly owned subsidiary of such corporations or organizations, cooperative boards, or limited partnerships.
<b>Subordinate Financing</b>	<p>Subordinate second mortgage financing is available for projects securing first mortgages through conventional bank loans, government sponsored entities such as Freddie Mac or Fannie Mae, or HUD.</p> <p>First mortgages financed by taxable or tax-exempt bonds issued by HCR's Housing Finance Agency (HFA) will be available at HCR's sole discretion.</p> <p>Construction and permanent financing is available.</p> <p>Funding under this program is competitive, and subordinate loans will be structured based on a project's physical and financial needs. Projects will be awarded the minimum amount necessary to ensure financial feasibility.</p>
<b>Per Unit Maximum Award</b>	<p>Up to \$75,000 per unit.</p> <p>Maximum award does not include potential Clean Energy Initiative (CEI) funding. Please refer to the CEI Program term sheet for CEI funding program details.</p>
<b>Interest Rate and Loan Terms</b>	0.25% interest-only paid during construction and permanent. 0.25% servicing fee paid during construction and permanent. Minimum 30 year term.
<b>Area Median Income Restrictions</b>	Projects must comply with any applicable Mitchell-Lama requirements. Projects seeking tax-exempt bond financing must meet the standard tax-exempt bond and LIHTC low income set aside requirements.

<b>Priorities</b>	Developments with significant physical and/or financial needs in “high-need” or rapidly gentrifying areas will be prioritized.  Mitchell-Lama developments with loans acquired in June 2013 by HFA from the Empire State Development Corporation.
<b>Regulatory Agreement Requirements</b>	Minimum 40 year regulatory agreement.
<b>Monitoring Fees</b>	A fee sufficient to cover the cost of monitoring program requirements will be charged unless, for projects not financed by HFA tax-exempt bonds, another governmental funder agrees to monitor this program’s requirements in a manner acceptable to HCR.

*HCR retains the right to revise this term sheet from time to time and to waive any requirement contained therein, subject to the applicable statutes and program regulations. HCR also retains the right to not award any or all funds under this program. All proposals must comply with all applicable federal, state and local laws.*